

By



H.B. No. _____

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Rising Star Hospital District of Eastland, Brown and Comanche counties, Texas, by authority of Section 9, Article IX, Constitution of the State of Texas; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. AUTHORIZATION. By authority of Section 9, Article IX, Constitution of the State of Texas, this Act authorizes the creation of the Rising Star Hospital District of Eastland, Brown and Comanche counties, Texas.

Sec. 2. BOUNDARIES. The boundaries of this district are coterminous with the boundaries of the Rising Star Independent School District as they exist on the effective date of this Act.

Sec. 3. PURPOSE OF DISTRICT. The district authorized to be created by this Act is charged with the responsibility of establishing a hospital or a hospital system within its boundaries to furnish hospital and medical care to the residents of the district. After this district is created as provided in Section 4 of this Act, no other municipality or political subdivision of this state may levy taxes or issue bonds or other obligations of indebtedness for the purpose of providing hospital service or medical care within the district. This district shall provide all necessary hospital and medical care for the needy inhabitants of the district.

Sec. 4. ELECTION TO CREATE A DISTRICT. (a) On receiving the petition of 25 people who are qualified property taxpaying electors of the proposed hospital district, the commissioners court of Eastland County shall order an election to be held to approve the creation of the proposed hospital district and to elect a board of directors. The election must be held during the period beginning on the 20th day and ending with the 30th day after the date of the order.

(b) The order calling the election must contain the time and place, or places, of holding the election, the form of the ballots, and the presiding judge for each voting place.

(c) The commissioners court of Eastland County shall publish a substantial copy of the election order in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first notice must be published at least 14 days before the date of the election.

(d) The presiding judge of each voting place shall supervise the counting of all votes cast and shall certify the results to the commissioners court of Eastland County within 10 days after the

1 election. A copy of the results is to be filed with the county
2 clerk and becomes of public record.

3 (e) At the election, the qualified property taxpaying
4 electors who live within the Rising Star Independent School District
5 shall vote whether or not the proposed hospital district is to be
6 created. A majority of the qualified property taxpaying electors
7 must approve the creation of the district.

8 (f) The ballot for the creation of the district must be
9 substantially as follows:

10 "FOR the creation of the Rising Star Hospital District of
11 Eastland, Brown and Comanche counties, Texas."

12 "AGAINST the creation of the Rising Star Hospital District of
13 Eastland, Brown and Comanche counties, Texas."

14 (g) If a majority of the persons voting in the election vote
15 for the creation of the district, the commissioners court of
16 Eastland County shall, within 10 days after the results are filed,
17 declare the results and order the district created. A copy of this
18 order shall be placed in the minutes of the court.

19 (h) If a majority of the persons voting at the election vote
20 against the creation of the district, this does not prevent the
21 holding of other elections for the same purpose.

22 Sec. 5. ELECTION OF BOARD OF DIRECTORS. (a) At the
23 election to create the district, the qualified voters of the
24 proposed hospital district shall receive a separate ballot to elect
25 five directors to manage and control the district.

26 (b) To qualify for election to the board, a person must:

27 (1) be at least 21 years of age;

28 (2) have been a resident of the district for at least two
29 years; and

30 (3) be a qualified property taxpaying elector of the
31 district.

32 (c) Any person who is qualified to serve on the board of
33 directors and who desires to serve shall file his name with the
34 commissioners court of Eastland County at least two weeks before
35 the date of the election.

36 (d) Each person entitled to vote for director may cast his
37 vote for six candidates.

38 (e) The five persons receiving the highest number of votes
39 at the election shall constitute the first board of directors. The
40 three directors receiving the highest number of votes hold office
41 until the second regular election of directors and until their
42 successors are elected and have qualified. The remaining directors
43 hold office until the next regular election following their
44 election and until their successors are elected and have qualified.

45 (f) Each year on the first Saturday in April an election is
46 to be held for the purpose of electing the appropriate number of
47 directors to the board.

48 (g) A director holds office for a term of two years and
49 until his successor is elected and qualified.

50 (h) A vacancy on the board shall be filled by appointment
51 of the board for the unexpired term.

52 Sec. 6. BOARD OF DIRECTORS, ORGANIZATION. (a) When a
53 person is elected to the board of directors he shall qualify for
54 office by executing the constitutional oath of office and a good

1 and sufficient commercial bond for \$1,000 payable to the district,
2 conditioned upon the faithful performance of his duties. The oath
3 and bond are to be deposited with the district depository for safe-
4 keeping. The cost of the bond is an expense of the district.

5 (b) The directors shall at the first meeting after the
6 election elect a president, a secretary, and a treasurer from their
7 number.

8 (c) A member of the board of directors is not entitled to
9 compensation for his services. However, each member is entitled to
10 reimbursement for any necessary expense incurred by him in the
11 performance of the duties of his office.

12 Sec. 7. TAXES, ELECTION. (a) At the time of the election
13 to create the district and to elect directors, the commissioners
14 court of Eastland County may order an election to determine whether
15 the district may levy taxes within the district. This tax may not
16 exceed 75 cents on the \$100 valuation of all taxable property
17 within the district. If the commissioners court does not include
18 this election in the order for the election to create the district,
19 the board of directors may order this election at any time.

20 (b) Prior to this election, notice must be given by the
21 appropriate governmental unit, either the commissioners court of
22 Eastland County or the board of directors in the same manner pro-
23 vided in Section 4 of this Act. The presiding judge of each voting
24 place shall certify the results to the appropriate governmental unit
25 which shall declare the results. The results are to be of public
26 record.

27 (c) The ballot for this election must contain substantially
28 the following:

29 "FOR the levy of a tax not to exceed 75 cents on the \$100
30 valuation on all property subject to taxation within the district."

31 "AGAINST the levy of a tax not to exceed 75 cents on the
32 \$100 valuation on all property subject to taxation within the
33 district."

34 (d) The board of directors shall not levy any tax within the
35 district until a majority of the qualified property taxpaying
36 electors in the district voting in an election for this purpose
37 vote for the levy of this tax.

38 Sec. 8. TAXES: LEVY, ASSESSMENT, AND COLLECTION. (a) After
39 a majority of those persons voting at the election vote for the
40 levy of a tax, the board of directors shall levy a tax not to
41 exceed 75 cents on the \$100 valuation on all property subject to
42 taxation within the district.

43 (b) The board shall use the same valuation (which appears on
44 the county tax rolls) used by the commissioners court of Eastland,
45 Brown and Comanche counties in taxing the property for county pur-
46 poses.

47 (c) The board may use the proceeds of this tax for the
48 following purposes, only:

49 (1) paying the interest on and creating a sinking fund for
50 bonds issued under the provisions of this Act;

51 (2) providing for the operation and maintenance of the
52 hospital district and the hospital system;

53 (3) making improvements and additions to the hospital
54 system; and

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1 (4) acquiring sites for the additions to the hospital system.
2 (d) On or before October 1 of each year, the board shall
3 levy the tax and immediately certify the tax rate to the tax
4 collector of the Rising Star Independent School District. The tax
5 collector of the school district shall collect the taxes for the
6 district. The taxes of the district are subject to the same con-
7 ditions as the taxes of a county.

8 (e) The collector of taxes is entitled to a fee as compensa-
9 tion for his services of not more than one percent of the total tax
10 collected, but not to exceed \$5,000 in any one fiscal year. The
11 board shall fix the exact amount of compensation. The tax collec-
12 tor shall deduct this fee from the payments made to the district
13 of the taxes collected and deposit that amount in the general fund
14 of the school district as a fee of office of the tax collector.

15 (f) The board may levy this tax for the entire year in which
16 the district is established to secure funds necessary to initiate
17 the operation of the hospital district.

18 Sec. 9. BONDS, ELECTION. (a) At the time of the election
19 to create the district the commissioners court of Eastland County
20 may order an election to determine whether the district may issue
21 bonds for the purchase, construction, acquisition, repair, or
22 renovation of buildings and improvements, and for equipping the
23 buildings for hospital purposes. If the commissioners court of
24 Eastland County does not include this election in the order for the
25 election to create the district, the board of directors may order
26 this election at any time.

27 (b) The order and notice of election and the certification
28 declaration of the results to the county clerk are governed by
29 Section 4 of this Act. In addition to the provisions of that
30 section, the order of this election must include:

- 31 (1) the purpose for which the bonds are to be issued;
32 (2) the amount of the proposed bond issue;
33 (3) the maximum interest rate; and
34 (4) the maximum maturity date of the bonds.

35 (c) The board shall not issue any bond unless the interest
36 rate is six percent per year or less. The board of directors shall
37 not issue any bond which matures more than 40 years from the date
38 of issuance.

39 (d) The board of directors shall not issue any bonds until
40 a majority of the qualified property taxpaying electors in the
41 district voting in an election for this purpose vote for the
42 issuance of these bonds.

43 Sec. 10. BONDS: ISSUANCE, REDEMPTION, AND REFUND.

44 (a) After a majority of those persons voting at the election vote
45 for the levy of a tax, the board may issue bonds, the total of the
46 face value not to exceed the amount specified in the order of the
47 election.

48 (b) The president of the board shall execute the bonds in
49 the name of and on behalf of the hospital district. The secretary
50 of the board of directors shall countersign the bonds. The
51 Attorney General of the State of Texas shall approve the bonds if
52 they meet the same requirements as provided by law for bonds issued
53 by a county. The bonds are to be registered by the Comptroller of
54 Public Accounts of the State of Texas in the same manner as

1 provided by law for the registration of bonds issued by a county.
2 After approval and registration the bonds are incontestable for
3 any reason.

4 (c) The board may not issue any bonds unless a sufficient
5 tax is levied to create an interest and sinking fund to pay the
6 interest and principal as it matures.

7 (d) All bonds issued by the district may be made optional
8 for redemption prior to their maturity date in the discretion of
9 the board.

10 (e) The board may elect to refund and pay off any validly
11 issued and outstanding bonds issued by the district. However, the
12 refund bonds issued must bear interest at the same or a lower rate
13 than the bonds being refunded unless it is shown mathematically
14 that a savings will result in the total interest to be paid.

15 Sec. 11. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

16 (a) The board of directors has full power to manage and control
17 the district. Any provision of this Act which provides a specific
18 power or duty does not limit the general authority of the district
19 to carry out the purposes of this Act.

20 (b) The board shall keep all books, records, accounts,
21 notices, minutes, and other matters of the district and its
22 operation at the office of the district. The board shall make
23 these items available for public inspection at reasonable times.

24 (c) The board shall adopt rules for the efficient operation
25 of the district and its facilities which are not inconsistent with
26 this Act. The board shall publish these rules and regulations in
27 book form and furnish copies to interested persons upon request
28 and at the expense of the district.

29 (d) The board shall require an annual independent audit of
30 the books and records of the district and shall file a copy of the
31 audit with the comptroller of public accounts and a copy with the
32 district not later than December 1 of each year.

33 (e) The board may

34 (1) prescribe the method of making purchases and expendi-
35 tures and the manner of accounting and control used by the
36 district;

37 (2) employ an attorney, general manager, bookkeeper,
38 architect, and other employees necessary for the efficient opera-
39 tion of the district; and

40 (3) employ an administrator to manage the operations of the
41 hospital system, who may hire necessary personnel to perform the
42 services provided by the system.

43 (f) The board may accept donations, gifts, and endowments
44 for the district. The board shall hold all donations, gifts, and
45 endowments in trust and shall administer them under any direction,
46 limitation, or provisions as may be prescribed in writing by the
47 donor, as long as it is not inconsistent with the proper manage-
48 ment of the district.

49 (g) The board may enter any contract with a municipality or
50 other political subdivision to provide hospital and medical care
51 for needy persons who reside outside the district.

52 (h) The board may lease the facilities of the hospital dis-
53 trict to a person, firm, corporation, association, or religious
54 or other charitable institution. Such lessee shall operate the
55 hospital in accordance with the purposes of this Act.

1 Sec. 12. BUDGET. (a) The fiscal year of the hospital
2 district is from October 1 of each year to September 30 of the
3 following year.

4 (b) The board shall prepare a budget showing

5 (1) the proposed expenditures and disbursements;

6 (2) the estimated receipts and collections for the next
7 fiscal year; and

8 (3) the amount of taxes required to be levied and collected
9 during the next fiscal year to meet the proposed budget.

10 (c) The board shall hold a public hearing on the proposed
11 budget after publication of notice in a newspaper of general
12 circulation in the district. The notice must be given at least
13 once not less than 10 days prior to the hearing.

14 (d) Any qualified property taxpaying elector is entitled to
15 appear at the hearing and be heard with reference to any item in
16 the proposed budget.

17 Sec. 13. INQUIRY INTO ABILITY TO PAY. (a) A person who
18 resides within the district is entitled to receive necessary
19 medical and hospital care whether he has the ability to pay for
20 the care or not. A person who resides within the district may
21 make application to receive this care without cost.

22 (b) The board or the administrator shall employ a person
23 to investigate the ability of the patient and the ability of any
24 relative who is liable for the support of the patient to pay for
25 the medical and hospital care which the patient receives.

26 (c) If the patient or a relative of the patient who is
27 legally liable for his support is able to pay for this care in
28 whole or in part, the board shall order the patient or his
29 relatives to pay to the treasurer each week an amount specified in
30 the order. The amount must be in proportion to the ability to pay.

31 (d) The district may collect this amount from the estate
32 of the patient, or from his relatives who are liable for his
33 support, in the manner provided by law for the collection of
34 expenses of the last illness of a deceased person.

35 (e) If the investigator finds that neither the patient, nor
36 a relative who is legally liable for his support, is able to pay
37 in whole or in part for this care, the expense of this care becomes
38 a charge on the district.

39 (f) If there is a dispute as to the ability to pay, or a
40 doubt in the mind of the investigator, the board shall hear and
41 determine the question, after calling witnesses, and make the
42 proper order based on its findings.

43 (g) A party to the hearing who is not satisfied with the
44 result of the order, may appeal to the district court. The appeal
45 is de novo as that term is used in appeals from the justice courts
46 to the county court.

47 Sec. 14. EMINENT DOMAIN. (a) The district has the power
48 of eminent domain for the purpose of acquiring by condemnation any
49 interest, including fee simple, in any real, personal, or mixed
50 property within the boundaries of the district that is necessary
51 or convenient to the exercise of the powers and duties conferred
52 upon it by this Act.

53 (b) The board shall exercise this power of eminent domain
54 in the same manner as provided by general law. However, the

1 district is not required to make deposits in the registry of the
2 trial court or to post bond as required by Section 2, Article 3268,
3 Revised Civil Statutes of Texas, 1925, as amended.

4 (c) The district is not required to pay in advance or to
5 give any bond or other security for costs in the trial court other-
6 wise required for the issuance relating to a condemnation proceed-
7 ing, nor is it required to give a bond for costs or for supersedeas
8 on an appeal or writ of error proceeding to a Court of Civil
9 Appeals or to the Supreme Court.

10 Sec. 15. DEPOSITORY. Within 30 days after the qualification
11 of the board of directors, the board shall by resolution designate
12 a bank within the Eastland county in which the district is located
13 to be the depository of the district. All funds of the district
14 shall be deposited in the depository and shall be secured in the
15 manner now provided for the security of county funds. The deposi-
16 tory shall serve for a period of two years and until a successor
17 has been named in accordance with this section.

18 Sec. 16. INSPECTION OF THE DISTRICT. (a) The district is
19 subject to inspection at any time by an authorized representative
20 of the State Board of Health, the State Board of Public Welfare,
21 or any other state agency created for a similar purpose.

22 (b) The administrator of the hospital shall admit a
23 representative into the facilities of the district and make
24 accessible on demand all district records, reports, books, papers,
25 and accounts.

26 Sec. 17. STATE SUPPORT. The support and maintenance of the
27 hospital system of the district and any indebtedness incurred by
28 the district under this Act shall never become a charge against
29 nor an obligation of the State of Texas, nor shall any direct
30 appropriation be made by the Legislature of the State of Texas for
31 the construction, maintenance, or improvement of any of the
32 facilities of the district.

33 Sec. 18. The Legislature has found that proper notice has
34 been given in the district affected by this Act in accordance with
35 the requirement of Section 9, Article IX, Constitution of the State
36 of Texas.

37 Sec. 19. The importance of this legislation and the crowded
38 condition of the calendars in both houses create an emergency and
39 an imperative public necessity that the Constitutional Rule requir-
40 ing bills to be read on three several days in each house be sus-
41 pended, and this Rule is hereby suspended.
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By: Musgrove
Referred to Committee on Counties

H B 1106

Bill Analysis

Background Information:

A hospital is needed in that area of Eastland, Brown, and Comanche counties which forms the Rising Star Independent School District.

What the bill does:

Creates the Rising Star Hospital District in said area.

Section by section analysis:

Authorizes the creation of a hospital district co-extensive with the boundaries of the Rising Star Independent School District in Eastland, Brown, and Comanche counties.

H.B. No. ~~1105~~

By Musgrave

1106

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FILED

MAR 16 1967

READ 1ST TIME
AND REFERRED TO COMMITTEE ON

Courtesy